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United States Department of the Interior

BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North
Fillmore, UT 84631
<http://enbb.blm.interwebdesign.com>



IN REPLY REFER TO:
3600
(U-010)
UTU-078277
UTU-079454

June 15, 2001

CERTIFIED MAIL # 7099 3220 0002 6774 4712
RETURN RECEIPT REQUESTED

GEORGE FINNEGAN
PRESIDENT
RESOURCE DESIGN SOLUTION INC
PO BOX 1178
RIVERTON UT 84065

RECEIVED

JUN 18 2001

DIVISION OF
OIL GAS AND MINING

Dear Mr. Finnegan:

On May 10, 2001, we issued Mr. Joe Dunlop of Resource Design Solution, Inc. a surface management order of non-compliance which required submission of a technically adequate plan of operation as part of the remedy. We are in receipt, and currently reviewing, a Plan of Operations (Plan) for Section 35 and 36, T. 12 S., R. 7 W., SLM. The Plan designates Resource Design Solution, Inc. as operator. Upon completion of this review, we will contact you with an acceptance of the Plan or a request for additional information.

Our letter of March 15, 2000 accepting the original notice, which was subsequently amended to include the activity in Section 35, T. 12 S., R. 7 W., SLM, also explained that the granite you intended to mine under the Plan is considered common variety material. The proper procedure for mining and disposal of common variety material is through 43 CFR 3610, Mineral Material Sales.

In order for us to proceed with preparing the sales contract and environmental review for the sale of the granite, we require a request for sale. The request for sale should include the location of the material you wish to purchase (in this case the location of the Plan), the amount of material

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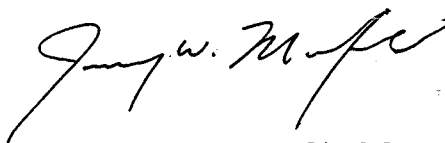
you wish to purchase, and the time frame in which you would like the purchase to take place.

A non-competitive sale can be authorized for up to 100,000 cubic yards or weight equivalent (approximately 2.2 tons per cubic yard for granite). The length of the sales contract can be up to five years. Non-competitive sales to the same person are limited to two sales in a twelve month period. The contract may be paid in installments of 10%. The first payment consists of the first and last installment. All material is paid for prior to removal. A performance bond is required which is the greater of \$500.00 or 20% of the contract. The price of granite will be \$14.00 per ton until such time as a site specific appraisal can be performed.

Our May 10, 2001, order of non-compliance outlined three requirements to remedy the condition of non-compliance; 1. Submit a complete and technically adequate Plan of Operations, 2. Submit an acceptable financial guarantee for reclamation of the current disturbance, and 3. Resolve the Notice of Violation with the State of Utah, Minerals Reclamation Program. Once these three conditions are met, you may resume operations within the current area of disturbance, and within the scope of your Notice until the environmental clearance is completed and the sales contract is signed.

Thank you for submitting your Plan of Operations. If you have any questions concerning this matter, please call me at (435) 743-3125 or Larry Garahana at (435) 743-3126.

Sincerely,



Jerry W. Mansfield
Geologist

cc: D. Wayne Hedberg, UDOGM